

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 2969

Chapter 202, Laws of 2002

57th Legislature
2002 Regular Session

TRANSPORTATION FUNDING

EFFECTIVE DATE: Contingent effective date: 12/30/02 - Except sections 401 and 402, which become effective 4/1/03; and section 601, which becomes effective 3/27/02.

Passed by the House March 14, 2002
Yeas 75 Nays 23

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate March 14, 2002
Yeas 30 Nays 17

BRAD OWEN
President of the Senate

Approved March 27, 2002

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2969** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER
Chief Clerk

FILED

March 27, 2002 - 10:20 a.m.

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 2969

AS AMENDED BY THE SENATE

Passed Legislature - 2002 Regular Session

State of Washington 57th Legislature 2002 Regular Session

By House Committee on Transportation (originally sponsored by Representative Fisher)

Read first time 02/27/2002. Referred to Committee on .

1 AN ACT Relating to transportation improvement and financing;
2 amending RCW 44.40.010, 44.40.013, 44.40.015, 44.40.020, 44.40.025,
3 44.40.030, 44.40.040, 44.40.070, 44.40.090, 44.40.100, 44.40.140,
4 44.40.150, 46.16.070, 46.68.035, 82.38.030, 82.38.035, 82.38.045,
5 82.38.047, 82.38.075, 46.09.170, 46.10.170, 79A.25.070, 82.08.020,
6 82.12.020, 82.12.045, and 39.42.060; reenacting and amending RCW
7 43.84.092, 82.36.025, 46.68.090, and 46.68.110; adding new sections to
8 chapter 44.40 RCW; adding a new section to chapter 46.04 RCW; adding a
9 new section to chapter 46.68 RCW; adding a new section to chapter 47.26
10 RCW; adding a new section to chapter 43.135 RCW; adding a new section
11 to chapter 82.32 RCW; adding new sections to chapter 47.10 RCW;
12 creating new sections; providing effective dates; providing a
13 contingent effective date; providing for submission of certain sections
14 of this act to a vote of the people; and declaring an emergency.

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

16 **PART I - ACCOUNTABILITY FOR TRANSPORTATION PROJECTS AND PROGRAMS**

17 NEW SECTION. **Sec. 101.** It is essential that the legislature
18 improve the accountability and efficiency of the department of

1 transportation. Taxpayers must know that their tax dollars are being
2 well spent to deliver critically needed transportation projects. To
3 accomplish this, a transportation accountability process must be
4 established to provide oversight on transportation projects. The
5 legislative transportation accountability committee will replace and
6 assume the duties and responsibilities of the legislative
7 transportation committee and, additionally, in conjunction with an
8 independent transportation accountability board, report to the public
9 on how tax dollars are spent on projects funded by new transportation
10 taxes under this act.

11 NEW SECTION. **Sec. 102.** In addition to the legislative
12 transportation accountability committee's other responsibilities under
13 this chapter, the committee has the following responsibilities:

14 (1) Direct the department of transportation to submit a
15 transportation accountability audit report as required under section
16 103 of this act;

17 (2) Report annually to the governor and the legislature on the
18 department's progress on each project as further defined in section 103
19 of this act;

20 (3) When necessary, make policy recommendations for improving
21 efficiencies, savings, or improvements in the department's project
22 management, accountability measures, or project delivery mechanisms;

23 (4) Recommend any leading edge transportation project delivery
24 strategies, oversight, accountability, or efficiency measures; and

25 (5) Appoint members of the transportation accountability board as
26 nominated by the governor pursuant to section 106 of this act.

27 NEW SECTION. **Sec. 103.** The department of transportation shall
28 prepare and submit to the transportation commission once each quarter
29 a comprehensive audit report on each transportation project funded by
30 this act. The audit report shall be known as the "transportation
31 accountability audit." For the purposes of this act, the audit must
32 include the following elements:

33 (1) Project status and any scope changes;

34 (2) Estimated completion date and cost, noting any changes from
35 past estimates;

36 (3) Actual project expenditures as compared with projected
37 expenditures;

- 1 (4) Any changes in financing for each project;
- 2 (5) Claim or change orders that result in greater than a five-
- 3 percent cumulative increase in project cost, or greater than sixty days
- 4 of delay;
- 5 (6) Status of any required permits;
- 6 (7) Mitigation efforts to relieve both traffic and environmental
- 7 impacts;
- 8 (8) Evaluation of work force effectiveness, including both state
- 9 employees and contractors;
- 10 (9) Outlook for the upcoming year, including projected
- 11 accomplishments and challenges;
- 12 (10) Copies of any accountability reports filed with the federal
- 13 highway administration; and
- 14 (11) Any other useful information the committee or commission
- 15 requests.

16 NEW SECTION. Sec. 104. The transportation commission must review
17 the proposed transportation accountability audit submitted by the
18 department. After reviewing the information contained therein, the
19 commission may request additional information or data, or ask for
20 clarifications. The commission is prohibited from changing any of the
21 data contained in the audit report.

22 After conducting its review, the commission must forward the
23 transportation accountability audit to the legislative transportation
24 accountability committee and the transportation accountability board.

25 NEW SECTION. Sec. 105. (1) Upon completion of its review under
26 section 104 of this act, the transportation commission shall forward
27 the transportation accountability audit to the transportation
28 accountability board and the legislative transportation accountability
29 committee. The transportation accountability board will accept or
30 reject the report.

31 (a) In determining whether to accept or reject the report, the
32 board:

33 (i) Will analyze, investigate, and evaluate the data contained in
34 the audit report;

35 (ii) May, when authorized by the legislative transportation
36 accountability committee, contract out for planners, consultants, and
37 other technical personnel to assist in the audit review process; and

1 (iii) May request additional information or data from the
2 department of transportation.

3 (b) As part of the evaluation process, the board may make
4 recommendations to the legislative transportation accountability
5 committee for efficiencies, savings, or improvements in the
6 department's project management, accountability measures, or project
7 delivery mechanisms.

8 (2) After reviewing the report, the board must forward the
9 transportation accountability audit and recommendations to the office
10 of financial management and the legislative transportation
11 accountability committee.

12 (3) The legislative transportation accountability committee must
13 make the transportation accountability audit report available to the
14 public.

15 (4) In addition to its regular staff, the legislative
16 transportation accountability committee is authorized to contract out
17 for planners, consultants, and other technical personnel to advise it,
18 or the board at its request, in the performance of its duties, assist
19 in the review of the transportation accountability audit, and to assist
20 in other audits initiated by the committee.

21 (5) Staff support to the board must be provided by the legislative
22 transportation accountability committee, which shall provide
23 professional support for the duties, functions, responsibilities, and
24 activities of the board, including but not limited to information
25 technology systems; data collection, processing, analysis, and
26 reporting; project management; and office space, equipment, and
27 secretarial support. The legislative evaluation and accountability
28 program will provide data and information technology support consistent
29 with the support currently supplied to existing legislative committees.

30 NEW SECTION. **Sec. 106.** (1) The transportation accountability
31 board is created.

32 (2) The board will consist of no fewer than five and no more than
33 nine members nominated by the governor, and selected by the legislative
34 transportation accountability committee, for terms of four years,
35 except that at least half the members initially appointed will be
36 appointed for terms of two years. The members of the board must be
37 chosen so the board will have experience and expertise relating to
38 major civil engineering and construction works and facilities to

1 include: (a) Design, estimating, contract packaging, and procurement;
2 (b) construction means and methods and construction management and
3 administration; (c) project finance, accounting, controls, and
4 reporting; (d) procedures for obtaining permits and for assuring
5 regulatory compliance; (e) dispute resolution; (f) construction work
6 force training and safety; (g) general public administration; and (h)
7 experience crafting and implementing environmental mitigation plans.

8 (3) The legislative transportation accountability committee may not
9 remove members from the board before the expiration of their terms
10 unless for cause based upon a determination of incapacity,
11 incompetence, neglect of duty, or malfeasance in office by the Thurston
12 county superior court, upon petition and show cause proceedings brought
13 for that purpose in that court and directed to the board member in
14 question.

15 (4) No member may be appointed for more than three consecutive
16 terms.

17 NEW SECTION. Sec. 107. (1) The board shall meet periodically. It
18 may adopt its own rules and may establish its own procedures. It shall
19 act collectively in harmony with recorded resolutions or motions
20 adopted by a majority vote of the members. The board shall be
21 compensated from the general appropriation for the legislative
22 transportation accountability committee and in accordance with RCW
23 43.03.250.

24 (2) Each member of the board will be compensated in accordance with
25 RCW 43.03.250 and reimbursed for actual necessary traveling and other
26 expenses in going to, attending, and returning from meetings of the
27 board or that are incurred in the discharge of duties requested by the
28 chairman. However, in no event may a board member be compensated in
29 any year for more than one hundred twenty days, except the chairman may
30 be compensated for not more than one hundred fifty days. Service on
31 the board does not qualify as a service credit for the purposes of a
32 public retirement system.

33 (3) The board shall keep proper records and is subject to audit by
34 the state auditor or other auditing entities.

35 NEW SECTION. Sec. 108. Sections 101 through 107 of this act are
36 each added to chapter 44.40 RCW.

1 **Sec. 109.** RCW 44.40.010 and 1999 sp.s. c 1 s 616 are each amended
2 to read as follows:

3 The joint fact-finding committee on highways, streets, and bridges
4 originally created by chapter 111, Laws of 1947, recreated and renamed
5 the joint committee on highways by chapter 3, Laws of 1963
6 extraordinary session, recreated and renamed the legislative
7 transportation committee by chapter 87, Laws of 1980, is hereby
8 recreated and renamed the legislative transportation accountability
9 committee. The renaming of said committee shall not affect any powers
10 invested in it or its duties imposed upon it by any other statute. All
11 appropriations made to the committee under its former name shall
12 continue to be available to said committee as renamed, the legislative
13 transportation accountability committee. The committee shall consist
14 of twelve senators to be appointed by the president of the senate and
15 twelve members of the house of representatives to be appointed by the
16 speaker thereof. Not more than six members from each house may be from
17 the same political party. A list of appointees shall be submitted
18 before the close of each regular legislative session during an odd-
19 numbered year or any successive special session convened by the
20 governor or the legislature prior to the close of such regular session
21 or successive special session(s) for confirmation of senate members, by
22 the senate, and house members, by the house. Vacancies occurring shall
23 be filled by the appointing authority. All vacancies must be filled
24 from the same political party and from the same house as the member
25 whose seat was vacated.

26 ~~((On May 27, 1999, the president of the senate shall appoint an~~
27 ~~additional senate member as provided by the 1999 amendment of this~~
28 ~~section. With the appointment of the additional member, the terms of~~
29 ~~officers elected before May 27, 1999, are terminated, and the committee~~
30 ~~shall hold a new election of officers.))~~

31 The committee shall adopt rules and procedures for its orderly
32 operation.

33 **Sec. 110.** RCW 44.40.013 and 2001 c 259 s 5 are each amended to
34 read as follows:

35 The administration of the legislative transportation accountability
36 committee is subject to RCW 44.04.260.

1 **Sec. 111.** RCW 44.40.015 and 2001 c 259 s 6 are each amended to
2 read as follows:

3 The members of the legislative transportation accountability
4 committee shall form an executive committee consisting of two members
5 from each of the four major political caucuses, which will include the
6 chair and vice-chair of the legislative transportation accountability
7 committee. There will be four alternates to the executive committee,
8 one from each of the four major political caucuses. Each alternate may
9 represent a member from the same political caucus from which they were
10 chosen when that member is absent, and have voting privileges during
11 that absence.

12 Subject to RCW 44.04.260, the executive committee is responsible
13 for performing all general administrative and personnel duties assigned
14 to it in the rules and procedures adopted by the committee, determining
15 the number of legislative transportation accountability committee
16 staff, and other duties delegated to it by the committee. Except when
17 those responsibilities are assumed by the legislative transportation
18 accountability committee, and subject to RCW 44.04.260, the executive
19 committee is responsible for adopting interim work plans and meeting
20 schedules, approving all contracts signed on behalf of the committee,
21 and setting policies for legislative transportation accountability
22 committee staff utilization.

23 **Sec. 112.** RCW 44.40.020 and 1996 c 129 s 9 are each amended to
24 read as follows:

25 (1) The committee is authorized and directed to continue its
26 studies and for that purpose shall have the powers set forth in chapter
27 111, Laws of 1947. The committee is further authorized to make studies
28 related to bills assigned to the house and senate transportation
29 committees and such other studies as provided by law. The executive
30 committee of the committee may assign responsibility for all or part of
31 the conduct of studies to the house and/or senate transportation
32 committees.

33 (2) The committee may review and approve franchise agreements
34 entered into by the department of transportation under RCW
35 (~~(43.51.113)~~) 79A.05.125.

36 **Sec. 113.** RCW 44.40.025 and 1996 c 288 s 49 are each amended to
37 read as follows:

1 In addition to the powers and duties authorized in RCW 44.40.020,
2 the committee and the standing committees on transportation of the
3 house and senate shall, in coordination with the joint legislative
4 audit and review committee, the legislative evaluation and
5 accountability program committee, and the ways and means committees of
6 the senate and house of representatives, ascertain, study, and/or
7 analyze all available facts and matters relating or pertaining to
8 sources of revenue, appropriations, expenditures, and financial
9 condition of the motor vehicle fund and accounts thereof, the highway
10 safety fund, and all other funds or accounts related to transportation
11 programs of the state.

12 The joint legislative audit and review committee, the legislative
13 evaluation and accountability program committee, and the ways and means
14 committees of the senate and house of representatives shall coordinate
15 their activities with the legislative transportation accountability
16 committee in carrying out the committees' powers and duties under
17 chapter 43.88 RCW in matters relating to the transportation programs of
18 the state.

19 **Sec. 114.** RCW 44.40.030 and 1982 c 227 s 17 are each amended to
20 read as follows:

21 In addition to the powers and duties heretofore conferred upon it,
22 the legislative transportation accountability committee may participate
23 in: (1) The activities of committees of the council of state
24 governments concerned with transportation activities; (2) activities of
25 the national committee on uniform traffic laws and ordinances; (3) any
26 interstate reciprocity or proration meetings designated by the
27 department of licensing; and (4) such other organizations as it deems
28 necessary and appropriate.

29 **Sec. 115.** RCW 44.40.040 and 2001 c 259 s 7 are each amended to
30 read as follows:

31 The members of the legislative transportation accountability
32 committee and the house and senate transportation committees shall
33 receive allowances while attending meetings of the committees or
34 subcommittees and while engaged in other authorized business of the
35 committees as provided in RCW 44.04.120. Subject to RCW 44.04.260, all
36 expenses incurred by the committee, and the house and senate
37 transportation committees, including salaries of employees of the

1 legislative transportation accountability committee, shall be paid upon
2 voucher forms as provided by the office of financial management and
3 signed by the chairman or vice chairman or authorized designee of the
4 chairman of the committee, and the authority of said chairman or vice
5 chairman to sign vouchers shall continue until their successors are
6 selected. Vouchers may be drawn upon funds appropriated for the
7 expenses of the committee.

8 **Sec. 116.** RCW 44.40.070 and 1998 c 245 s 87 are each amended to
9 read as follows:

10 Prior to October 1st of each even-numbered year all state agencies
11 whose major programs consist of transportation activities, including
12 the department of transportation, the transportation improvement board,
13 the Washington state patrol, the department of licensing, the traffic
14 safety commission, the county road administration board, and the board
15 of pilotage commissioners, shall adopt or revise, after consultation
16 with the legislative transportation accountability committee, a
17 comprehensive six-year program and financial plan for all
18 transportation activities under each agency's jurisdiction.

19 The comprehensive six-year program and financial plan shall state
20 the general objectives and needs of each agency's major transportation
21 programs, including workload and performance estimates.

22 **Sec. 117.** RCW 44.40.090 and 2001 c 259 s 8 are each amended to
23 read as follows:

24 Subject to RCW 44.04.260, powers and duties enumerated by this
25 chapter shall be delegated to the senate and house transportation
26 committees during periods when the legislative transportation
27 accountability committee is not appointed.

28 **Sec. 118.** RCW 44.40.100 and 2001 c 259 s 9 are each amended to
29 read as follows:

30 Subject to RCW 44.04.260, the legislative transportation
31 accountability committee and the senate and house transportation
32 committees may enter into contracts on behalf of the state to carry out
33 the purposes of this chapter; and it or they may act for the state in
34 the initiation of or participation in any multigovernmental program
35 relative to transportation planning or programming; and it or they may
36 enter into contracts to receive federal or other funds, grants, or

1 gifts to carry out said purposes and to be used in preference to or in
2 combination with state funds. When federal or other funds are
3 received, they shall be deposited with the state treasurer and
4 thereafter expended only upon approval by the committee or committees.

5 **Sec. 119.** RCW 44.40.140 and 1983 c 212 s 2 are each amended to
6 read as follows:

7 Prior to the start of each regular legislative session in an odd-
8 numbered year, the legislative transportation accountability committee
9 shall review the policy of the state concerning fees imposed on
10 nonpolluting fuels under RCW 82.38.075, and shall report its findings
11 and recommendations for change, if any, to the legislature.

12 **Sec. 120.** RCW 44.40.150 and 1998 c 245 s 88 are each amended to
13 read as follows:

14 (1) The legislative transportation accountability committee shall
15 undertake a study and develop recommendations for legislative and
16 executive consideration that will:

17 (a) Increase the efficiency and effectiveness of state
18 transportation programs and reduce costs;

19 (b) Enhance the accountability and organizational soundness of all
20 transportation modes;

21 (c) Encourage better communication between local jurisdictions and
22 the department of transportation in developing engineering plans and
23 subsequent construction projects;

24 (d) Encourage private sector support and financial participation in
25 project development and construction of transportation projects;

26 (e) Develop long-range goals that reflect changing technology and
27 state-of-the-art advancements in transportation;

28 (f) Explore alternatives for the establishment of an integrated and
29 balanced multimodal statewide transportation system to meet the needs
30 of the 21st century; and

31 (g) Explore ways to reduce the demand on the transportation system
32 and more effectively use the existing system.

33 The committee may study other transportation needs and problems and
34 make further recommendations.

35 (2) The office of financial management and the department of
36 transportation shall provide staff support as required by the
37 legislative transportation accountability committee in developing the

1 recommendations. To the extent permitted by law, all agencies of the
2 state shall cooperate fully with the legislative transportation
3 accountability committee in carrying out its duties under this section.

4 (3) The legislative transportation accountability committee may
5 receive and expend gifts, grants, and endowments from private sector
6 sources to carry out the purpose of this section.

7 PART II - LICENSE FEES

8 NEW SECTION. **Sec. 201.** A new section is added to chapter 46.04
9 RCW to read as follows:

10 "Gross weight portion of the current combined licensing fees" means
11 the amounts listed in RCW 46.16.070, Schedule A, less twenty-five
12 dollars and seventy-five cents, and the amounts listed in Schedule B,
13 less twenty-five dollars and seventy-five cents and less an additional
14 ninety dollars if the requested gross weight is over forty thousand
15 pounds.

16 **Sec. 202.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to
17 read as follows:

18 (1) In lieu of all other vehicle licensing fees, unless
19 specifically exempt, and in addition to (~~the excise tax prescribed in~~
20 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and
21 stages in RCW 46.16.125, there shall be paid and collected annually for
22 each truck, motor truck, truck tractor, road tractor, tractor, bus,
23 auto stage, or for hire vehicle with seating capacity of more than six,
24 based upon the declared combined gross weight or declared gross weight
25 (~~thereof pursuant to the provisions of~~)) under chapter 46.44 RCW, the
26 following licensing fees by such gross weight:

DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
4,000 lbs.	\$ 37.00	\$ 37.00
6,000 lbs.	\$ 44.00	\$ 44.00
8,000 lbs.	\$ 55.00	\$ 55.00
10,000 lbs.	\$ 62.00	\$ 62.00
12,000 lbs.	\$ 72.00	\$ 72.00
14,000 lbs.	\$ 82.00	\$ 82.00
16,000 lbs.	\$ 92.00	\$ 92.00
18,000 lbs.	\$ 137.00	\$ 137.00
20,000 lbs.	\$ 152.00	\$ 152.00
22,000 lbs.	\$ 164.00	\$ 164.00
24,000 lbs.	\$ 177.00	\$ 177.00
26,000 lbs.	\$ 187.00	\$ 187.00
28,000 lbs.	\$ 220.00	\$ 220.00

1	30,000 lbs.	\$ 253.00	\$ 253.00
2	32,000 lbs.	\$ 304.00	\$ 304.00
3	34,000 lbs.	\$ 323.00	\$ 323.00
4	36,000 lbs.	\$ 350.00	\$ 350.00
5	38,000 lbs.	\$ 384.00	\$ 384.00
6	40,000 lbs.	\$ 439.00	\$ 439.00
7	42,000 lbs.	\$ 456.00	\$ 546.00
8	44,000 lbs.	\$ 466.00	\$ 556.00
9	46,000 lbs.	\$ 501.00	\$ 591.00
10	48,000 lbs.	\$ 522.00	\$ 612.00
11	50,000 lbs.	\$ 566.00	\$ 656.00
12	52,000 lbs.	\$ 595.00	\$ 685.00
13	54,000 lbs.	\$ 642.00	\$ 732.00
14	56,000 lbs.	\$ 677.00	\$ 767.00
15	58,000 lbs.	\$ 704.00	\$ 794.00
16	60,000 lbs.	\$ 750.00	\$ 840.00
17	62,000 lbs.	\$ 804.00	\$ 894.00
18	64,000 lbs.	\$ 822.00	\$ 912.00
19	66,000 lbs.	\$ 915.00	\$ 1,005.00
20	68,000 lbs.	\$ 954.00	\$ 1,044.00
21	70,000 lbs.	\$ 1,027.00	\$ 1,117.00
22	72,000 lbs.	\$ 1,098.00	\$ 1,188.00
23	74,000 lbs.	\$ 1,193.00	\$ 1,283.00
24	76,000 lbs.	\$ 1,289.00	\$ 1,379.00
25	78,000 lbs.	\$ 1,407.00	\$ 1,497.00
26	80,000 lbs.	\$ 1,518.00	\$ 1,608.00
27	82,000 lbs.	\$ 1,623.00	\$ 1,713.00
28	84,000 lbs.	\$ 1,728.00	\$ 1,818.00
29	86,000 lbs.	\$ 1,833.00	\$ 1,923.00
30	88,000 lbs.	\$ 1,938.00	\$ 2,028.00
31	90,000 lbs.	\$ 2,043.00	\$ 2,133.00
32	92,000 lbs.	\$ 2,148.00	\$ 2,238.00
33	94,000 lbs.	\$ 2,253.00	\$ 2,343.00
34	96,000 lbs.	\$ 2,358.00	\$ 2,448.00
35	98,000 lbs.	\$ 2,463.00	\$ 2,553.00
36	100,000 lbs.	\$ 2,568.00	\$ 2,658.00
37	102,000 lbs.	\$ 2,673.00	\$ 2,763.00
38	104,000 lbs.	\$ 2,778.00	\$ 2,868.00
39	105,500 lbs.	\$ 2,883.00	\$ 2,973.00

40 Schedule A applies to vehicles either used exclusively for hauling
41 logs or that do not tow trailers. Schedule B applies to vehicles that
42 tow trailers and are not covered under Schedule A.

43 (2) Every truck, motor truck, truck tractor, and tractor exceeding
44 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,
45 or 46.88 RCW shall be licensed for not less than one hundred fifty
46 percent of its empty weight unless the amount would be in excess of the
47 legal limits prescribed for such a vehicle in RCW 46.44.041 or
48 46.44.042, in which event the vehicle shall be licensed for the maximum
49 weight authorized for such a vehicle or unless the vehicle is used only
50 for the purpose of transporting any well drilling machine, air
51 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,

1 tool house, bunk house, or similar machine or structure attached to or
2 made a part of such vehicle.

3 (3)(a) Beginning with all motor vehicle registrations that are due
4 or become due on January 1, 2003, there will be paid and collected
5 annually a fifteen percent surcharge on the gross weight portion of the
6 combined licensing fees in effect January 1, 2002, for vehicles with a
7 licensed gross weight over ten thousand pounds.

8 (b) Beginning with all motor vehicle registrations that are due or
9 become due on January 1, 2004, and thereafter, there will be paid and
10 collected annually a thirty percent surcharge on the gross weight
11 portion of the combined licensing fees in effect January 1, 2002, for
12 vehicles with a licensed gross weight over ten thousand pounds.

13 (4) The following provisions apply when increasing gross or
14 combined gross weight for a vehicle licensed under this section:

15 (a) The new license fee will be one-twelfth of the fee listed above
16 for the new gross weight, multiplied by the number of months remaining
17 in the period for which licensing fees have been paid, including the
18 month in which the new gross weight is effective.

19 (b) Upon surrender of the current certificate of registration or
20 cab card, the new licensing fees due shall be reduced by the amount of
21 the licensing fees previously paid for the same period for which new
22 fees are being charged.

23 ~~((+2+))~~ (5) The proceeds from the fees collected under ~~((subsection~~
24 ~~(+1) of))~~ this section shall be distributed in accordance with RCW
25 46.68.035.

26 **Sec. 203.** RCW 46.68.035 and 2000 2nd sp.s. c 4 s 8 are each
27 amended to read as follows:

28 All proceeds from combined vehicle licensing fees received by the
29 director for vehicles licensed under RCW 46.16.070 and 46.16.085 shall
30 be forwarded to the state treasurer to be distributed into accounts
31 according to the following method:

32 (1) The sum of two dollars for each vehicle shall be deposited into
33 the multimodal transportation account, except that for each vehicle
34 registered by a county auditor or agent to a county auditor pursuant to
35 RCW 46.01.140, the sum of two dollars shall be credited to the current
36 county expense fund.

37 (2) The proceeds from the surcharge collected under RCW
38 46.16.070(3) must be deposited into the motor vehicle account.

1 (3) The remainder shall be distributed as follows:

2 (a) 23.677 percent shall be deposited into the state patrol highway
3 account of the motor vehicle fund;

4 (b) 1.521 percent shall be deposited into the Puget Sound ferry
5 operations account of the motor vehicle fund; and

6 (c) The remaining proceeds shall be deposited into the motor
7 vehicle fund.

8 NEW SECTION. **Sec. 204.** A new section is added to chapter 46.68
9 RCW to read as follows:

10 The freight mobility account is created in the state treasury.
11 Money in the account may be spent only after appropriation.
12 Expenditures from the account may be used only for the purpose of
13 roadway improvement projects to facilitate freight movement.

14 **Sec. 205.** RCW 43.84.092 and 2001 2nd sp.s. c 14 s 608, 2001 c 273
15 s 6, 2001 c 141 s 3, and 2001 c 80 s 5 are each reenacted and amended
16 to read as follows:

17 (1) All earnings of investments of surplus balances in the state
18 treasury shall be deposited to the treasury income account, which
19 account is hereby established in the state treasury.

20 (2) The treasury income account shall be utilized to pay or receive
21 funds associated with federal programs as required by the federal cash
22 management improvement act of 1990. The treasury income account is
23 subject in all respects to chapter 43.88 RCW, but no appropriation is
24 required for refunds or allocations of interest earnings required by
25 the cash management improvement act. Refunds of interest to the
26 federal treasury required under the cash management improvement act
27 fall under RCW 43.88.180 and shall not require appropriation. The
28 office of financial management shall determine the amounts due to or
29 from the federal government pursuant to the cash management improvement
30 act. The office of financial management may direct transfers of funds
31 between accounts as deemed necessary to implement the provisions of the
32 cash management improvement act, and this subsection. Refunds or
33 allocations shall occur prior to the distributions of earnings set
34 forth in subsection (4) of this section.

35 (3) Except for the provisions of RCW 43.84.160, the treasury income
36 account may be utilized for the payment of purchased banking services
37 on behalf of treasury funds including, but not limited to, depository,

1 safekeeping, and disbursement functions for the state treasury and
2 affected state agencies. The treasury income account is subject in all
3 respects to chapter 43.88 RCW, but no appropriation is required for
4 payments to financial institutions. Payments shall occur prior to
5 distribution of earnings set forth in subsection (4) of this section.

6 (4) Monthly, the state treasurer shall distribute the earnings
7 credited to the treasury income account. The state treasurer shall
8 credit the general fund with all the earnings credited to the treasury
9 income account except:

10 (a) The following accounts and funds shall receive their
11 proportionate share of earnings based upon each account's and fund's
12 average daily balance for the period: The capitol building
13 construction account, the Cedar River channel construction and
14 operation account, the Central Washington University capital projects
15 account, the charitable, educational, penal and reformatory
16 institutions account, the common school construction fund, the county
17 criminal justice assistance account, the county sales and use tax
18 equalization account, the data processing building construction
19 account, the deferred compensation administrative account, the deferred
20 compensation principal account, the department of retirement systems
21 expense account, the drinking water assistance account, the drinking
22 water assistance administrative account, the drinking water assistance
23 repayment account, the Eastern Washington University capital projects
24 account, the education construction fund, the emergency reserve fund,
25 the federal forest revolving account, the health services account, the
26 public health services account, the health system capacity account, the
27 personal health services account, the state higher education
28 construction account, the higher education construction account, the
29 highway infrastructure account, the industrial insurance premium refund
30 account, the judges' retirement account, the judicial retirement
31 administrative account, the judicial retirement principal account, the
32 local leasehold excise tax account, the local real estate excise tax
33 account, the local sales and use tax account, the medical aid account,
34 the mobile home park relocation fund, the multimodal transportation
35 account, the municipal criminal justice assistance account, the
36 municipal sales and use tax equalization account, the natural resources
37 deposit account, the oyster reserve land account, the perpetual
38 surveillance and maintenance account, the public employees' retirement
39 system plan 1 account, the public employees' retirement system combined

1 plan 2 and plan 3 account, the public health supplemental account, the
2 Puyallup tribal settlement account, the resource management cost
3 account, the site closure account, the special wildlife account, the
4 state employees' insurance account, the state employees' insurance
5 reserve account, the state investment board expense account, the state
6 investment board commingled trust fund accounts, the supplemental
7 pension account, the teachers' retirement system plan 1 account, the
8 teachers' retirement system combined plan 2 and plan 3 account, the
9 tobacco prevention and control account, the tobacco settlement account,
10 the transportation infrastructure account, the tuition recovery trust
11 fund, the University of Washington bond retirement fund, the University
12 of Washington building account, the volunteer fire fighters' and
13 reserve officers' relief and pension principal fund, the volunteer fire
14 fighters' and reserve officers' administrative fund, the Washington
15 fruit express account, the Washington judicial retirement system
16 account, the Washington law enforcement officers' and fire fighters'
17 system plan 1 retirement account, the Washington law enforcement
18 officers' and fire fighters' system plan 2 retirement account, the
19 Washington school employees' retirement system combined plan 2 and 3
20 account, the Washington state health insurance pool account, the
21 Washington state patrol retirement account, the Washington State
22 University building account, the Washington State University bond
23 retirement fund, the water pollution control revolving fund, and the
24 Western Washington University capital projects account. Earnings
25 derived from investing balances of the agricultural permanent fund, the
26 normal school permanent fund, the permanent common school fund, the
27 scientific permanent fund, and the state university permanent fund
28 shall be allocated to their respective beneficiary accounts. All
29 earnings to be distributed under this subsection (4)(a) shall first be
30 reduced by the allocation to the state treasurer's service fund
31 pursuant to RCW 43.08.190.

32 (b) The following accounts and funds shall receive eighty percent
33 of their proportionate share of earnings based upon each account's or
34 fund's average daily balance for the period: The aeronautics account,
35 the aircraft search and rescue account, the county arterial
36 preservation account, the department of licensing services account, the
37 essential rail assistance account, the ferry bond retirement fund, the
38 freight mobility account, the grade crossing protective fund, the high
39 capacity transportation account, the highway bond retirement fund, the

1 highway safety account, the motor vehicle fund, the motorcycle safety
2 education account, the pilotage account, the public transportation
3 systems account, the Puget Sound capital construction account, the
4 Puget Sound ferry operations account, the recreational vehicle account,
5 the rural arterial trust account, the safety and education account, the
6 special category C account, the state patrol highway account, the
7 transportation equipment fund, the transportation fund, the
8 transportation improvement account, the transportation improvement
9 board bond retirement account, and the urban arterial trust account.

10 (5) In conformance with Article II, section 37 of the state
11 Constitution, no treasury accounts or funds shall be allocated earnings
12 without the specific affirmative directive of this section.

13 PART III - FUEL TAX

14 **Sec. 301.** RCW 82.36.025 and 1999 c 269 s 16 and 1999 c 94 s 29 are
15 each reenacted and amended to read as follows:

16 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon
17 ((shall apply)) applies to the sale, distribution, or use of motor
18 vehicle fuel.

19 (2) Beginning January 1, 2003, an additional and cumulative motor
20 fuel tax rate of five cents per gallon applies to the sale,
21 distribution, or use of motor vehicle fuel.

22 (3) Beginning January 1, 2004, an additional and cumulative motor
23 vehicle fuel tax rate of four cents per gallon applies to the sale,
24 distribution, or use of motor vehicle fuel.

25 **Sec. 302.** RCW 82.38.030 and 2001 c 270 s 6 are each amended to
26 read as follows:

27 (1) There is hereby levied and imposed upon special fuel users a
28 tax at the rate ((computed in the manner provided in RCW 82.36.025 on
29 each)) of twenty-three cents per gallon of special fuel, or each one
30 hundred cubic feet of compressed natural gas, measured at standard
31 pressure and temperature.

32 (2) Beginning January 1, 2003, an additional and cumulative tax
33 rate of five cents per gallon of special fuel, or each one hundred
34 cubic feet of compressed natural gas, measured at standard pressure and
35 temperature shall be imposed on special fuel users.

1 (3) Beginning January 1, 2004, an additional and cumulative special
2 fuel tax rate of four cents per gallon of special fuel, or each one
3 hundred cubic feet of compressed natural gas, measured at standard
4 pressure and temperature shall be imposed on special fuel users.

5 (4) The tax is imposed ((by subsection (1) of this section is
6 imposed)) when:

7 (a) Special fuel is removed in this state from a terminal if the
8 special fuel is removed at the rack unless the removal is to a licensed
9 exporter for direct delivery to a destination outside of the state, or
10 the removal is to a special fuel distributor for direct delivery to an
11 international fuel tax agreement licensee under RCW 82.38.320;

12 (b) Special fuel is removed in this state from a refinery if either
13 of the following applies:

14 (i) The removal is by bulk transfer and the refiner or the owner of
15 the special fuel immediately before the removal is not a licensee; or

16 (ii) The removal is at the refinery rack unless the removal is to
17 a licensed exporter for direct delivery to a destination outside of the
18 state, or the removal is to a special fuel distributor for direct
19 delivery to an international fuel tax agreement licensee under RCW
20 82.38.320;

21 (c) Special fuel enters into this state for sale, consumption, use,
22 or storage if either of the following applies:

23 (i) The entry is by bulk transfer and the importer is not a
24 licensee; or

25 (ii) The entry is not by bulk transfer;

26 (d) Special fuel is sold or removed in this state to an unlicensed
27 entity unless there was a prior taxable removal, entry, or sale of the
28 special fuel;

29 (e) Blended special fuel is removed or sold in this state by the
30 blender of the fuel. The number of gallons of blended special fuel
31 subject to tax is the difference between the total number of gallons of
32 blended special fuel removed or sold and the number of gallons of
33 previously taxed special fuel used to produce the blended special fuel;

34 (f) Dyed special fuel is used on a highway, as authorized by the
35 internal revenue code, unless the use is exempt from the special fuel
36 tax;

37 (g) Special fuel purchased by an international fuel tax agreement
38 licensee under RCW 82.38.320 is used on a highway; and

1 (h) Special fuel is sold by a licensed special fuel supplier to a
2 special fuel distributor, special fuel importer, or special fuel
3 blender and the special fuel is not removed from the bulk transfer-
4 terminal system.

5 ~~((+3+))~~ (5) The tax imposed by this chapter, if required to be
6 collected by the licensee, is held in trust by the licensee until paid
7 to the department, and a licensee who appropriates or converts the tax
8 collected to his or her own use or to any use other than the payment of
9 the tax to the extent that the money required to be collected is not
10 available for payment on the due date as prescribed in this chapter is
11 guilty of a felony, or gross misdemeanor in accordance with the theft
12 and anticipatory provisions of Title 9A RCW. A person, partnership,
13 corporation, or corporate officer who fails to collect the tax imposed
14 by this section, or who has collected the tax and fails to pay it to
15 the department in the manner prescribed by this chapter, is personally
16 liable to the state for the amount of the tax.

17 **Sec. 303.** RCW 46.68.090 and 1999 c 269 s 2 and 1999 c 94 s 6 are
18 each reenacted and amended to read as follows:

19 (1) All moneys that have accrued or may accrue to the motor vehicle
20 fund from the motor vehicle fuel tax and special fuel tax shall be
21 first expended for purposes enumerated in (a) and (b) of this
22 subsection. The remaining net tax amount shall be distributed monthly
23 by the state treasurer in ~~((the proportions set forth in (c) through~~
24 ~~(+1+))~~ accordance with subsections (2), (3), and (4) of this
25 ~~((subsection))~~ section.

26 (a) For payment of refunds of motor vehicle fuel tax and special
27 fuel tax that has been paid and is refundable as provided by law;

28 (b) For payment of amounts to be expended pursuant to
29 appropriations for the administrative expenses of the offices of state
30 treasurer, state auditor, and the department of licensing of the state
31 of Washington in the administration of the motor vehicle fuel tax and
32 the special fuel tax, which sums shall be distributed monthly~~((+))~~.

33 (2) All of the remaining net tax amount collected under RCW
34 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)
35 through (j) of this subsection.

36 ~~((+c+))~~ (a) For distribution to the motor vehicle fund an amount
37 equal to 44.387 percent to be expended for highway purposes of the
38 state as defined in RCW 46.68.130;

1 ~~((d))~~ (b) For distribution to the special category C account,
2 hereby created in the motor vehicle fund, an amount equal to 3.2609
3 percent to be expended for special category C projects. Special
4 category C projects are category C projects that, due to high cost
5 only, will require bond financing to complete construction.

6 The following criteria, listed in order of priority, shall be used
7 in determining which special category C projects have the highest
8 priority:

- 9 (i) Accident experience;
10 (ii) Fatal accident experience;
11 (iii) Capacity to move people and goods safely and at reasonable
12 speeds without undue congestion; and
13 (iv) Continuity of development of the highway transportation
14 network.

15 Moneys deposited in the special category C account in the motor
16 vehicle fund may be used for payment of debt service on bonds the
17 proceeds of which are used to finance special category C projects under
18 this subsection ~~((f))~~ (2)(b);

19 ~~((e))~~ (c) For distribution to the Puget Sound ferry operations
20 account in the motor vehicle fund an amount equal to 2.3283 percent;

21 ~~((f))~~ (d) For distribution to the Puget Sound capital
22 construction account in the motor vehicle fund an amount equal to
23 2.3726 percent;

24 ~~((g))~~ (e) For distribution to the urban arterial trust account in
25 the motor vehicle fund an amount equal to 7.5597 percent;

26 ~~((h))~~ (f) For distribution to the transportation improvement
27 account in the motor vehicle fund an amount equal to 5.6739 percent and
28 expended in accordance with RCW 47.26.086;

29 ~~((i))~~ (g) For distribution to the cities and towns from the motor
30 vehicle fund an amount equal to 10.6961 percent in accordance with RCW
31 46.68.110;

32 ~~((j))~~ (h) For distribution to the counties from the motor vehicle
33 fund an amount equal to 19.2287 percent: (i) Out of which there shall
34 be distributed from time to time, as directed by the department of
35 transportation, those sums as may be necessary to carry out the
36 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to
37 the county road administration board to implement the provisions of RCW
38 47.56.725(4), with the balance of such county share to be distributed

monthly as the same accrues for distribution in accordance with RCW 46.68.120;

~~((k))~~ (i) For distribution to the county arterial preservation account, hereby created in the motor vehicle fund an amount equal to 1.9565 percent. These funds shall be distributed by the county road administration board to counties in proportions corresponding to the number of paved arterial lane miles in the unincorporated area of each county and shall be used for improvements to sustain the structural, safety, and operational integrity of county arterials. The county road administration board shall adopt reasonable rules and develop policies to implement this program and to assure that a pavement management system is used;

~~((l))~~ (j) For distribution to the rural arterial trust account in the motor vehicle fund an amount equal to 2.5363 percent and expended in accordance with RCW 36.79.020.

~~((2))~~ (3) 100 percent of the net tax amount collected under RCW 82.36.025(2) and 82.38.030(2) shall be distributed as follows:

(a) 4.3366 percent shall be distributed to cities and towns in accordance with RCW 46.68.110(6).

(b) 4.3366 percent shall be distributed to counties in accordance with RCW 46.68.120.

(c) 91.3268 percent shall be distributed to the motor vehicle account.

(4) 100 percent of the net tax amount collected under RCW 82.36.025(3) and 82.38.030(3) shall be distributed to the motor vehicle account.

(5) Nothing in this section or in RCW 46.68.130 may be construed so as to violate any terms or conditions contained in any highway construction bond issues now or hereafter authorized by statute and whose payment is by such statute pledged to be paid from any excise taxes on motor vehicle fuel and special fuels.

Sec. 304. RCW 46.68.110 and 1999 c 269 s 3 and 1999 c 94 s 9 are each reenacted and amended to read as follows:

Funds credited to the incorporated cities and towns of the state as set forth in RCW 46.68.090(~~((i))~~) shall be subject to deduction and distribution as follows:

(1) One and one-half percent of such sums distributed under RCW 46.68.090 (2)(g) and (3) shall be deducted monthly as such sums are

1 credited and set aside for the use of the department of transportation
2 for the supervision of work and expenditures of such incorporated
3 cities and towns on the city and town streets thereof, including the
4 supervision and administration of federal-aid programs for which the
5 department of transportation has responsibility: PROVIDED, That any
6 moneys so retained and not expended shall be credited in the succeeding
7 biennium to the incorporated cities and towns in proportion to
8 deductions herein made;

9 (2) Thirty-three one-hundredths of one percent of such funds
10 distributed under RCW 46.68.090 (2)(g) and (3) shall be deducted
11 monthly, as such funds accrue, and set aside for the use of the
12 department of transportation for the purpose of funding the cities'
13 share of the costs of highway jurisdiction studies and other studies.
14 Any funds so retained and not expended shall be credited in the
15 succeeding biennium to the cities in proportion to the deductions made;

16 (3) One percent of such funds distributed under RCW 46.68.090(2)(g)
17 shall be deducted monthly, as such funds accrue, to be deposited in the
18 urban arterial trust account, to implement the city hardship assistance
19 program, as provided in RCW 47.26.164. However, any moneys so retained
20 and not required to carry out the program as of July 1st of each odd-
21 numbered year thereafter, shall be provided within sixty days to the
22 treasurer and distributed in the manner prescribed in subsection (5) of
23 this section;

24 (4) After making the deductions under subsections (1) through (3)
25 of this section and RCW 35.76.050, 31.86 percent of the fuel tax
26 distributed to the cities and towns in RCW 46.68.090((1)(i)) (2)(g)
27 shall be allocated monthly as the funds accrue to the incorporated
28 cities and towns ((in the manner set forth in subsection (5) of this
29 section and subject to deductions in subsections (1), (2), and (3) of
30 this section, subject to RCW 35.76.050, to)) of the state ratably on
31 the basis of the population as last determined by the office of
32 financial management. Funds shall be used exclusively for: The
33 construction, improvement, chip sealing, seal-coating, and repair for
34 arterial highways and city streets as those terms are defined in RCW
35 46.04.030 and 46.04.120; the maintenance of arterial highways and city
36 streets for those cities with a population of less than fifteen
37 thousand; or the payment of any municipal indebtedness which may be
38 incurred in the construction, improvement, chip sealing, seal-coating,
39 and repair of arterial highways and city streets; ((and))

1 (5) The ((balance)) remaining ((to the credit of incorporated
2 cities and towns after such deduction)) funds not distributed under
3 subsection (4) of this section shall be apportioned monthly as such
4 funds accrue among the ((several)) incorporated cities and towns within
5 the state ratably on the basis of the population last determined by the
6 office of financial management; and

7 (6) After making the deductions under subsections (1) and (2) of
8 this section and RCW 35.76.050, one hundred percent of the funds
9 distributed to the cities and towns in RCW 46.68.090(3)(a) shall be
10 allocated monthly as such funds accrue to the incorporated cities and
11 towns of the state with populations over ten thousand persons, ratably
12 on the basis of population as last determined by the office of
13 financial management.

14 NEW SECTION. Sec. 305. A new section is added to chapter 47.26
15 RCW to read as follows:

16 As part of the matching funds requirements under RCW 47.26.270, the
17 transportation improvement board shall require a city or town receiving
18 funds under RCW 46.68.110(6) to use a portion of these funds, as
19 determined by the board by rule, for the purpose of matching a portion
20 of the corridor grant money allocated to the city or town by the board
21 under this chapter.

22 **Sec. 306.** RCW 82.38.035 and 2001 c 270 s 7 are each amended to
23 read as follows:

24 (1) A licensed supplier shall remit tax on special fuel to the
25 department as provided in RCW 82.38.030((+2+)) (4)(a). On a two-party
26 exchange, or buy-sell agreement between two licensed suppliers, the
27 receiving exchange partner or buyer shall remit the tax.

28 (2) A refiner shall remit tax to the department on special fuel
29 removed from a refinery as provided in RCW 82.38.030((+2+)) (4)(b).

30 (3) An importer shall remit tax to the department on special fuel
31 imported into this state as provided in RCW 82.38.030((+2+)) (4)(c).

32 (4) A blender shall remit tax to the department on the removal or
33 sale of blended special fuel as provided in RCW 82.38.030((+2+))
34 (4)(e).

35 (5) A dyed special fuel user shall remit tax to the department on
36 the use of dyed special fuel as provided in RCW 82.38.030((+2+))
37 (4)(f).

Sec. 307. RCW 82.38.045 and 1998 c 176 s 54 are each amended to read as follows:

A terminal operator is jointly and severally liable for remitting the tax imposed under RCW 82.38.030(~~((+1+))~~) if, at the time of removal:

(1) The position holder with respect to the special fuel is a person other than the terminal operator and is not a licensee;

(2) The terminal operator is not a licensee;

(3) The position holder has an expired internal revenue service notification certificate issued under chapter 26, C.F.R. Part 48; or

(4) The terminal operator had reason to believe that information on the notification certificate was false.

Sec. 308. RCW 82.38.047 and 1998 c 176 s 55 are each amended to read as follows:

A terminal operator is jointly and severally liable for remitting the tax imposed under RCW 82.38.030(~~((+1+))~~) if, in connection with the removal of special fuel that is not dyed or marked in accordance with internal revenue service requirements, the terminal operator provides a person with a bill of lading, shipping paper, or similar document indicating that the special fuel is dyed or marked in accordance with internal revenue service requirements.

Sec. 309. RCW 82.38.075 and 1983 c 212 s 1 are each amended to read as follows:

In order to encourage the use of nonpolluting fuels, an annual license fee in lieu of the tax imposed by RCW 82.38.030 shall be imposed upon the use of natural gas as defined in this chapter or on liquified petroleum gas, commonly called propane, which is used in any motor vehicle, as defined in RCW 46.04.320, which shall be based upon the following schedule as adjusted by the formula set out below:

VEHICLE TONNAGE (GVW)	FEE
0 - 6,000	\$ 45
6,001 - 10,000	\$ 45
10,001 - 18,000	\$ 80
18,001 - 28,000	\$110
28,001 - 36,000	\$150
36,001 and above	\$250

1 To determine the actual annual license fee imposed by this section
2 for a registration year, the appropriate dollar amount set out in the
3 above schedule shall be multiplied by the ((motor vehicle)) special
4 fuel tax rate in cents per gallon as established by RCW ((82.36.025))
5 82.38.030 effective on July 1st of the preceding calendar year and the
6 product thereof shall be divided by 12 cents.

7 The department of licensing, in addition to the foregoing fee,
8 shall charge a further fee of five dollars as a handling charge for
9 each license issued.

10 The director of licensing shall be authorized to prorate the
11 vehicle tonnage fee so that the annual license required by this section
12 will correspond with the staggered vehicle licensing system.

13 A decal or other identifying device issued upon payment of these
14 annual fees shall be displayed as prescribed by the department as
15 authority to purchase this fuel.

16 Persons selling or dispensing natural gas or propane may not sell
17 or dispense this fuel for their own use or the use of others into tanks
18 of vehicles powered by this fuel which do not display a valid decal or
19 other identifying device as provided in this section.

20 Vehicles registered in jurisdictions outside the state of
21 Washington are exempt from this section.

22 Any person selling or dispensing natural gas or propane into the
23 tank of a motor vehicle powered by this fuel, except as prescribed in
24 this chapter, is subject to the penalty provisions of this chapter.

25 **Sec. 310.** RCW 46.09.170 and 1995 c 166 s 9 are each amended to
26 read as follows:

27 (1) From time to time, but at least once each year, the state
28 treasurer shall refund from the motor vehicle fund one percent of the
29 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,
30 based on the tax rate in effect January 1, ((1990)) 2001, less proper
31 deductions for refunds and costs of collection as provided in RCW
32 46.68.090. The treasurer shall place these funds in the general fund
33 as follows:

34 (a) Forty percent shall be credited to the ORV and nonhighway
35 vehicle account and administered by the department of natural resources
36 solely for planning, maintenance, and management of ORV recreation
37 facilities, nonhighway roads, and nonhighway road recreation

1 facilities. The funds under this subsection shall be expended in
2 accordance with the following limitations:

3 (i) Not more than five percent may be expended for information
4 programs under this chapter;

5 (ii) Not less than ten percent and not more than fifty percent may
6 be expended for ORV recreation facilities;

7 (iii) Not more than twenty-five percent may be expended for
8 maintenance of nonhighway roads;

9 (iv) Not more than fifty percent may be expended for nonhighway
10 road recreation facilities;

11 (v) Ten percent shall be transferred to the interagency committee
12 for outdoor recreation for grants to law enforcement agencies in those
13 counties where the department of natural resources maintains ORV
14 facilities. This amount is in addition to those distributions made by
15 the interagency committee for outdoor recreation under (d)(i) of this
16 subsection;

17 (b) Three and one-half percent shall be credited to the ORV and
18 nonhighway vehicle account and administered by the department of fish
19 and wildlife solely for the acquisition, planning, development,
20 maintenance, and management of nonhighway roads and recreation
21 facilities;

22 (c) Two percent shall be credited to the ORV and nonhighway vehicle
23 account and administered by the parks and recreation commission solely
24 for the maintenance and management of ORV use areas and facilities; and

25 (d) Fifty-four and one-half percent, together with the funds
26 received by the interagency committee for outdoor recreation under RCW
27 46.09.110, shall be credited to the nonhighway and off-road vehicle
28 activities program account to be administered by the committee for
29 planning, acquisition, development, maintenance, and management of ORV
30 recreation facilities and nonhighway road recreation facilities; ORV
31 user education and information; and ORV law enforcement programs. The
32 expenditures in this subsection (1)(d) shall be calculated on the motor
33 vehicle fuel tax in effect January 1, 1990, until this subsection
34 (1)(d) is amended to reflect the findings of the recreational fuel use
35 study provided in section 346, chapter 8, Laws of 2001 2nd sp. sess.
36 The funds under this subsection shall be expended in accordance with
37 the following limitations:

38 (i) Not more than twenty percent may be expended for ORV education,
39 information, and law enforcement programs under this chapter;

(ii) Not less than an amount equal to the funds received by the interagency committee for outdoor recreation under RCW 46.09.110 and not more than sixty percent may be expended for ORV recreation facilities;

(iii) Not more than twenty percent may be expended for nonhighway road recreation facilities.

(2) On a yearly basis an agency may not, except as provided in RCW 46.09.110, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.

Sec. 311. RCW 46.10.170 and 1994 c 262 s 4 are each amended to read as follows:

From time to time, but at least once each four years, the department shall determine the amount of moneys paid to it as motor vehicle fuel tax that is tax on snowmobile fuel. Such determination shall use one hundred thirty-five gallons as the average yearly fuel usage per snowmobile, the number of registered snowmobiles during the calendar year under determination, and the fuel tax rate in effect January 1, (~~(1990)~~) 2001.

Sec. 312. RCW 79A.25.070 and 2000 c 11 s 73 are each amended to read as follows:

Upon expiration of the time limited by RCW 82.36.330 for claiming of refunds of tax on marine fuel, the state of Washington shall succeed to the right to such refunds. The director of licensing, after taking into account past and anticipated claims for refunds from and deposits to the marine fuel tax refund account and the costs of carrying out the provisions of RCW 79A.25.030, shall request the state treasurer to transfer monthly from the marine fuel tax refund account an amount equal to the proportion of the moneys in the account representing the motor vehicle fuel tax rate under RCW 82.36.025 in effect on January 1, (~~(1990)~~) 2001, to the recreation resource account and the remainder to the motor vehicle fund.

PART IV - SALES AND USE TAXES

Sec. 401. RCW 82.08.020 and 2000 2nd sp.s. c 4 s 1 are each amended to read as follows:

1 (1) There is levied and there shall be collected a tax on each
2 retail sale in this state equal to six and five-tenths percent of the
3 selling price.

4 (2) There is levied and there shall be collected an additional tax
5 on each retail car rental, regardless of whether the vehicle is
6 licensed in this state, equal to five and nine-tenths percent of the
7 selling price. The revenue collected under this subsection shall be
8 deposited in the multimodal transportation account created in RCW
9 47.66.070.

10 (3) Beginning April 1, 2003, there is levied and collected an
11 additional tax of one percent of the selling price on each retail sale
12 of a motor vehicle in this state, other than retail car rentals taxed
13 under subsection (2) of this section.

14 (4) For purposes of subsection (3) of this section, "motor vehicle"
15 has the meaning provided in RCW 46.04.320, but does not include farm
16 tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181,
17 off-road and nonhighway vehicles as defined in RCW 46.09.020, and
18 snowmobiles as defined in RCW 46.10.010.

19 (5) The revenue collected under subsection (3) of this section must
20 be deposited into the multimodal transportation account under RCW
21 47.66.070.

22 (6) The taxes imposed under this chapter shall apply to successive
23 retail sales of the same property.

24 ((~~(4)~~)) (7) The rates provided in this section apply to taxes
25 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

26 **Sec. 402.** RCW 82.12.020 and 1999 c 358 s 9 are each amended to
27 read as follows:

28 (1) There is hereby levied and there shall be collected from every
29 person in this state a tax or excise for the privilege of using within
30 this state as a consumer: (a) Any article of tangible personal
31 property purchased at retail, or acquired by lease, gift, repossession,
32 or bailment, or extracted or produced or manufactured by the person so
33 using the same, or otherwise furnished to a person engaged in any
34 business taxable under RCW 82.04.280 (2) or (7); or (b) any canned
35 software, regardless of the method of delivery, but excluding canned
36 software that is either provided free of charge or is provided for
37 temporary use in viewing information, or both.

1 (2) This tax shall apply to the use of every service defined as a
2 retail sale in RCW 82.04.050(3)(a) and the use of every article of
3 tangible personal property, including property acquired at a casual or
4 isolated sale, and including byproducts used by the manufacturer
5 thereof, except as hereinafter provided, irrespective of whether the
6 article or similar articles are manufactured or are available for
7 purchase within this state.

8 (3) Except as provided in RCW 82.12.0252, payment by one purchaser
9 or user of tangible personal property or service of the tax imposed by
10 chapter 82.08 or 82.12 RCW shall not have the effect of exempting any
11 other purchaser or user of the same property or service from the taxes
12 imposed by such chapters.

13 (4) The tax shall be levied and collected in an amount equal to the
14 value of the article used by the taxpayer multiplied by the rates in
15 effect for the retail sales tax under RCW 82.08.020.

16 **Sec. 403.** RCW 82.12.045 and 1996 c 149 s 19 are each amended to
17 read as follows:

18 (1) In the collection of the use tax on motor vehicles, the
19 department of revenue may designate the county auditors of the several
20 counties of the state as its collecting agents. Upon such designation,
21 it shall be the duty of each county auditor to collect the tax at the
22 time an applicant applies for the registration of, and transfer of
23 title to, the motor vehicle, except in the following instances:

24 (a) Where the applicant exhibits a dealer's report of sale showing
25 that the retail sales tax has been collected by the dealer;

26 (b) Where the application is for the renewal of registration;

27 (c) Where the applicant presents a written statement signed by the
28 department of revenue, or its duly authorized agent showing that no use
29 tax is legally due; or

30 (d) Where the applicant presents satisfactory evidence showing that
31 the retail sales tax or the use tax has been paid by ((him)) the
32 applicant on the vehicle in question.

33 (2) The term "motor vehicle," as used in this section means and
34 includes all motor vehicles, trailers and semitrailers used, or of a
35 type designed primarily to be used, upon the public streets and
36 highways, for the convenience or pleasure of the owner, or for the
37 conveyance, for hire or otherwise, of persons or property, including

1 fixed loads, facilities for human habitation, and vehicles carrying
2 exempt licenses.

3 (3) It shall be the duty of every applicant for registration and
4 transfer of certificate of title who is subject to payment of tax under
5 this section to declare upon (~~(his)~~) the application the value of the
6 vehicle for which application is made, which shall consist of the
7 consideration paid or contracted to be paid therefor.

8 (4) Each county auditor who acts as agent of the department of
9 revenue shall at the time of remitting license fee receipts on motor
10 vehicles subject to the provisions of this section pay over and account
11 to the state treasurer for all use tax revenue collected under this
12 section, after first deducting as (~~(his)~~) a collection fee the sum of
13 two dollars for each motor vehicle upon which the tax has been
14 collected. All revenue received by the state treasurer under this
15 section shall be credited to the general fund. The auditor's
16 collection fee shall be deposited in the county current expense fund.
17 A duplicate of the county auditor's transmittal report to the state
18 treasurer shall be forwarded forthwith to the department of revenue.

19 (5) Any applicant who has paid use tax to a county auditor under
20 this section may apply to the department of revenue for refund thereof
21 if he or she has reason to believe that such tax was not legally due
22 and owing. No refund shall be allowed unless application therefor is
23 received by the department of revenue within the statutory period for
24 assessment of taxes, penalties, or interest prescribed by RCW
25 82.32.050(3). Upon receipt of an application for refund the department
26 of revenue shall consider the same and issue its order either granting
27 or denying it and if refund is denied the taxpayer shall have the right
28 of appeal as provided in RCW 82.32.170, 82.32.180 and 82.32.190.

29 (6) The provisions of this section shall be construed as cumulative
30 of other methods prescribed in chapters 82.04 to 82.32 RCW, inclusive,
31 for the collection of the tax imposed by this chapter. The department
32 of revenue shall have power to promulgate such rules as may be
33 necessary to administer the provisions of this section. Any duties
34 required by this section to be performed by the county auditor may be
35 performed by the director of licensing but no collection fee shall be
36 deductible by said director in remitting use tax revenue to the state
37 treasurer.

1 (7) The use tax revenue collected on the rate provided in RCW
2 82.08.020(3) will be deposited in the multimodal transportation account
3 under RCW 47.66.070.

4 NEW SECTION. Sec. 404. A new section is added to chapter 43.135
5 RCW to read as follows:

6 A transfer from the general fund to the multimodal transportation
7 account under section 405 of this act for taxes collected under
8 chapters 82.08 and 82.12 RCW on new construction projects within the
9 improvement program in RCW 47.05.030(2), does not require a
10 corresponding lowering of the state expenditure limit to reflect this
11 shift for purposes of RCW 43.135.035(4).

12 NEW SECTION. Sec. 405. A new section is added to chapter 82.32
13 RCW to read as follows:

14 (1) Effective for taxes collected in fiscal year 2006, the tax
15 imposed and collected under chapters 82.08 and 82.12 RCW, less any
16 credits allowed under chapter 82.14 RCW, on construction projects
17 within the improvement program in RCW 47.05.030(2), except for those
18 projects related to safety and environmental retrofit, shall be
19 transferred from the general fund to the multimodal transportation
20 account once each year as described by subsection (3) of this section.

21 (2) This transaction is exempt from the requirements in RCW
22 43.135.035(4).

23 (3) Government entities conducting construction projects within the
24 improvement program in RCW 47.05.030(2), except for those projects
25 related to safety and environmental retrofit, shall report to the
26 department by August 1st of each year the amount of state sales or use
27 tax attributable to the projects identified in this section from the
28 previous fiscal year for purposes of transfer to the multimodal
29 transportation account. The department shall notify the state
30 treasurer of the amount of the transfer by September 30th of each year.

31 PART V - BOND AUTHORIZATION

32 NEW SECTION. Sec. 501. In order to provide funds necessary for
33 the location, design, right of way, and construction of selected state
34 and local highway improvements, there shall be issued and sold upon the
35 request of the transportation commission a total of four billion five

1 hundred million dollars of general obligation bonds of the state of
2 Washington.

3 NEW SECTION. **Sec. 502.** Upon the request of the transportation
4 commission, as appropriate, the state finance committee shall supervise
5 and provide for the issuance, sale, and retirement of the bonds
6 authorized by RCW 46.68.090 in accordance with chapter 39.42 RCW.
7 Bonds authorized by this act shall be sold in the manner, at time or
8 times, in amounts, and at the price as the state finance committee
9 shall determine. No bonds may be offered for sale without prior
10 legislative appropriation of the net proceeds of the sale of the bonds.

11 The state finance committee shall consider the issuance of short-
12 term obligations in lieu of long-term obligations for the purposes of
13 more favorable interest rates, lower total interest costs, and
14 increased marketability and for the purpose of retiring the bonds
15 during the life of the project for which they were issued.

16 NEW SECTION. **Sec. 503.** The proceeds from the sale of bonds
17 authorized by section 501 of this act shall be deposited in the motor
18 vehicle fund. The proceeds shall be available only for the purposes
19 enumerated in section 501 of this act, for the payment of bond
20 anticipation notes, if any, and for the payment of bond issuance costs,
21 including the costs of underwriting.

22 NEW SECTION. **Sec. 504.** Bonds issued under the authority of
23 section 501 of this act shall distinctly state that they are a general
24 obligation of the state of Washington, shall pledge the full faith and
25 credit of the state to the payment of the principal thereof and the
26 interest thereon, and shall contain an unconditional promise to pay
27 such principal and interest as the same shall become due. The
28 principal and interest on the bonds shall be first payable from the
29 proceeds of the state excise taxes on motor vehicle and special fuels
30 imposed by chapters 82.36 and 82.38 RCW. Proceeds of these excise
31 taxes are hereby pledged to the payment of any bonds and the interest
32 thereon issued under the authority of sections 501 through 506 of this
33 act, and the legislature agrees to continue to impose these excise
34 taxes on motor vehicle and special fuels in amounts sufficient to pay,
35 when due, the principal and interest on all bonds issued under the
36 authority of section 501 of this act.

1 NEW SECTION. **Sec. 505.** Both principal and interest on the bonds
2 issued for the purposes of section 501 of this act shall be payable
3 from the highway bond retirement fund. The state finance committee may
4 provide that a special account be created in the fund to facilitate
5 payment of the principal and interest. The state finance committee
6 shall, on or before June 30th of each year, certify to the state
7 treasurer the amount required for principal and interest on the bonds
8 in accordance with the bond proceedings. The state treasurer shall
9 withdraw revenues from the motor vehicle fund and deposit in the
10 highway bond retirement fund, or a special account in the fund, such
11 amounts, and at such times, as are required by the bond proceedings.

12 Any funds required for bond retirement or interest on the bonds
13 authorized by section 501 of this act shall be taken from that portion
14 of the motor vehicle fund that results from the imposition of excise
15 taxes on motor vehicle and special fuels and which is, or may be,
16 appropriated to the department of transportation for state highway
17 purposes. Funds required shall never constitute a charge against any
18 other allocations of motor vehicle fuel and special fuel tax revenues
19 to the state, counties, cities, and towns unless the amount arising
20 from excise taxes on motor vehicle and special fuels distributed to the
21 state in the motor vehicle fund proves insufficient to meet the
22 requirements for bond retirement or interest on any such bonds.

23 Any payments for bond retirement or interest on the bonds taken
24 from other revenues from the motor vehicle fuel or special fuel taxes
25 that are distributable to the state, counties, cities, and towns shall
26 be repaid from the first revenues from the motor vehicle fuel or
27 special fuel taxes distributed to the motor vehicle fund not required
28 for bond retirement or interest on the bonds.

29 NEW SECTION. **Sec. 506.** Bonds issued under the authority of
30 section 501 of this act and this section and any other general
31 obligation bonds of the state of Washington that have been or that may
32 be authorized and that pledge motor vehicle and special fuels excise
33 taxes for the payment of principal and interest thereon shall be an
34 equal charge against the revenues from such motor vehicle and special
35 fuels excise taxes.

36 NEW SECTION. **Sec. 507.** For the purpose of providing funds for the
37 planning, design, construction, reconstruction, and other necessary

1 costs for transportation projects, including rail and passenger-only
2 ferry projects, the state finance committee is authorized to issue
3 general obligation bonds of the state of Washington in the sum of one
4 hundred million dollars, or as much thereof as may be required, to
5 finance these projects and all costs incidental thereto. Bonds
6 authorized in this section may be sold at such price as the state
7 finance committee shall determine. No bonds authorized in this section
8 may be offered for sale without prior legislative appropriation of the
9 net proceeds of the sale of the bonds.

10 NEW SECTION. **Sec. 508.** The proceeds of the sale of the bonds
11 authorized in section 507 of this act must be deposited in the
12 multimodal transportation account and must be used exclusively for the
13 purposes specified in section 507 of this act and for the payment of
14 expenses incurred in the issuance and sale of the bonds.

15 NEW SECTION. **Sec. 509.** (1) The nondebt-limit reimbursable bond
16 retirement account must be used for the payment of the principal and
17 interest on the bonds authorized in section 507 of this act.

18 (2)(a) The state finance committee must, on or before June 30th of
19 each year, certify to the state treasurer the amount needed in the
20 ensuing twelve months to meet the bond retirement and interest
21 requirements on the bonds authorized in section 507 of this act.

22 (b) On or before the date on which any interest or principal and
23 interest is due, the state treasurer shall transfer from the multimodal
24 transportation account for deposit into the nondebt-limit reimbursable
25 bond retirement account the amount computed in (a) of this subsection
26 for bonds issued for the purposes of section 507 of this act.

27 (3) If the multimodal transportation account has insufficient
28 revenues to pay the principal and interest computed in subsection
29 (2)(a) of this section, then the debt-limit reimbursable bond
30 retirement account must be used for the payment of the principal and
31 interest on the bonds authorized in section 507 of this act from any
32 additional means provided by the legislature.

33 (4) If at any time the multimodal transportation account has
34 insufficient revenues to repay the bonds, the legislature may provide
35 additional means for the payment of the bonds.

1 NEW SECTION. **Sec. 510.** (1) Bonds issued under section 507 of this
2 act must state that they are a general obligation of the state of
3 Washington, must pledge the full faith and credit of the state to the
4 payment of the principal and interest, and must contain an
5 unconditional promise to pay the principal and interest as it becomes
6 due.

7 (2) The owner and holder of each of the bonds or the trustee for
8 the owner and holder of any of the bonds may by mandamus or other
9 appropriate proceeding require the transfer and payment of funds as
10 directed in this section.

11 NEW SECTION. **Sec. 511.** The legislature may provide additional
12 means for raising moneys for the payment of the principal and interest
13 on the bonds authorized in section 507 of this act, and sections 509
14 and 510 of this act are not deemed to provide an exclusive method for
15 their payment.

16 NEW SECTION. **Sec. 512.** The bonds authorized in section 507 of
17 this act are a legal investment for all state funds or funds under
18 state control and for all funds of any other public body.

19 **Sec. 513.** RCW 39.42.060 and 2001 2nd sp.s. c 9 s 18 are each
20 amended to read as follows:

21 No bonds, notes, or other evidences of indebtedness for borrowed
22 money shall be issued by the state which will cause the aggregate debt
23 contracted by the state to exceed that amount for which payments of
24 principal and interest in any fiscal year would require the state to
25 expend more than seven percent of the arithmetic mean of its general
26 state revenues, as defined in section 1(c) of Article VIII of the
27 Washington state Constitution for the three immediately preceding
28 fiscal years as certified by the treasurer in accordance with RCW
29 39.42.070. It shall be the duty of the state finance committee to
30 compute annually the amount required to pay principal of and interest
31 on outstanding debt. In making such computation, the state finance
32 committee shall include all borrowed money represented by bonds, notes,
33 or other evidences of indebtedness which are secured by the full faith
34 and credit of the state or are required to be paid, directly or
35 indirectly, from general state revenues and which are incurred by the
36 state, any department, authority, public corporation or quasi public

1 corporation of the state, any state university or college, or any other
2 public agency created by the state but not by counties, cities, towns,
3 school districts, or other municipal corporations, and shall include
4 debt incurred pursuant to section 3 of Article VIII of the Washington
5 state Constitution, but shall exclude the following:

6 (1) Obligations for the payment of current expenses of state
7 government;

8 (2) Indebtedness incurred pursuant to RCW 39.42.080 or 39.42.090;

9 (3) Principal of and interest on bond anticipation notes;

10 (4) Any indebtedness which has been refunded;

11 (5) Financing contracts entered into under chapter 39.94 RCW;

12 (6) Indebtedness authorized or incurred before July 1, 1993,
13 pursuant to statute which requires that the state treasury be
14 reimbursed, in the amount of the principal of and the interest on such
15 indebtedness, from money other than general state revenues or from the
16 special excise tax imposed pursuant to chapter 67.40 RCW;

17 (7) Indebtedness authorized and incurred after July 1, 1993,
18 pursuant to statute that requires that the state treasury be
19 reimbursed, in the amount of the principal of and the interest on such
20 indebtedness, from (a) moneys outside the state treasury, except higher
21 education operating fees, (b) higher education building fees, (c)
22 indirect costs recovered from federal grants and contracts, and (d)
23 fees and charges associated with hospitals operated or managed by
24 institutions of higher education;

25 (8) Any agreement, promissory note, or other instrument entered
26 into by the state finance committee under RCW 39.42.030 in connection
27 with its acquisition of bond insurance, letters of credit, or other
28 credit support instruments for the purpose of guaranteeing the payment
29 or enhancing the marketability, or both, of any state bonds, notes, or
30 other evidence of indebtedness;

31 (9) Indebtedness incurred for the purposes identified in RCW
32 43.99N.020;

33 (10) Indebtedness incurred for the purposes of the school district
34 bond guaranty established by chapter 39.98 RCW;

35 (11) Indebtedness incurred for the purposes of replacing the
36 waterproof membrane over the east plaza garage and revising related
37 landscaping construction pursuant to RCW 43.99Q.070; ((and))

38 (12) Indebtedness incurred for the purposes of the state
39 legislative building rehabilitation, to the extent that principal and

1 interest payments of such indebtedness are paid from the capitol
2 building construction account pursuant to RCW 43.99Q.140(2)(b) ; and
3 (13) Indebtedness incurred for the purposes of financing projects
4 under section 507 of this act.

5 To the extent necessary because of the constitutional or statutory
6 debt limitation, priorities with respect to the issuance or
7 guaranteeing of bonds, notes, or other evidences of indebtedness by the
8 state shall be determined by the state finance committee.

9 NEW SECTION. Sec. 514. Sections 501 through 512 of this act are
10 each added to chapter 47.10 RCW.

11 **PART VI - REFERENDUM**

12 NEW SECTION. Sec. 601. (1) The secretary of state shall submit
13 this act, except for sections 102 through 120 of this act, to the
14 people for their adoption and ratification, or rejection, at the next
15 general election to be held in this state, in accordance with Article
16 II, section 1 of the state Constitution and the laws adopted to
17 facilitate its operation.

18 (2) If the people ratify this act as specified under subsection (1)
19 of this section, revenues generated shall be spent as detailed in
20 Senate Bill No. 6347, as enacted by the legislature.

21 (3) Pursuant to RCW 29.79.035, the statement of subject on the
22 ballot title shall read: "The legislature has passed House Bill No.
23 2969, financing transportation improvements through transportation fees
24 and taxes." The concise description on the ballot title shall read:
25 "This bill would improve highway capacity, public transportation,
26 passenger and freight rail, and transportation financing accountability
27 through increased weight fees on trucks and large vehicles, fuel excise
28 taxes, and sales taxes on vehicles."

29 NEW SECTION. Sec. 602. If this act is not ratified by the voters
30 by November 15, 2002, this act is null and void in its entirety,
31 including sections 102 through 120 of this act.

32 NEW SECTION. Sec. 603. Section 601 of this act is necessary for
33 the immediate preservation of the public peace, health, or safety, or

1 support of the state government and its existing public institutions,
2 and takes effect immediately.

3 **PART VII - MISCELLANEOUS**

4 NEW SECTION. **Sec. 701.** If any provision of this act or its
5 application to any person or circumstance is held invalid, the
6 remainder of the act or the application of the provision to other
7 persons or circumstances is not affected.

8 NEW SECTION. **Sec. 702.** Part headings used in this act do not
9 constitute any part of the law.

10 NEW SECTION. **Sec. 703.** If this act is ratified by the voters as
11 specified in section 601 of this act, this act, except sections 401,
12 402, and 601 of this act, takes effect December 30, 2002.

13 NEW SECTION. **Sec. 704.** This act is null and void if a
14 transportation expenditure bill based on the revenue provided in this
15 act does not become law by December 31, 2002.

16 NEW SECTION. **Sec. 705.** Sections 401 and 402 of this act take
17 effect April 1, 2003.

Passed the House March 14, 2002.

Passed the Senate March 14, 2002.

Approved by the Governor March 27, 2002.

Filed in Office of Secretary of State March 27, 2002.